



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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For External Release

DFAS plans A-76 competition of Marine Corps Accounting

Effort to enhance service to U.S. Marine Corps customers

ARLINGTON, VA (16 May 03) -- Defense Finance and Accounting Service announced that it will begin conducting an A-76 competition of its Marine Corps Accounting Services this month.

DFAS is a Defense Department Agency that provides accounting and financial services to the Military Departments, Military Services, and other Defense Agencies.

The competition, which normally takes one to two years to complete, will compare private industry proposals to a government proposal which to modernize and change the operation to best serve its customers. In conducting the competition, DFAS will follow the policies and guidance proscribed by the Office of Management and Budget (OMB) Circular A-76.

This A-76 competition supports DFAS' broader transformation strategy that provides a roadmap for how DFAS will adapt to anticipate and meet customer mission needs in the future. This initiative also supports the Department of Defense transformation and the President's Management Agenda, which drives improvement in the federal government's strategic management of human capital, competitive sourcing, financial management, expansion of electronic government, and budget and performance integration.

"The DFAS Marine Corps Accounting team has a great record of providing quality service to men and women of the U.S. Marine Corps," said Greg Bitz, DFAS executive for Marine Corps Accounting Services. "The decision to conduct an A-76 gives DFAS people the opportunity to take a close look at how we conduct business, how we can perform better, and how we can increase the value of the services we provide. The goal of this competition is to improve service to our customers and reduce the costs of finance and accounting services for the Department of Defense and the American Taxpayer."

The decision to conduct this A-76 competition was the result of DFAS' business case analysis involving functional experts and the customer. This review identified options for streamlining operations and opportunities that could be pursued to make Marine Corps Accounting the best value for the Department of Defense and the taxpayer.

Based in Kansas City, the A-76 competition of DFAS Marine Corps Accounting will involve about 318 civilian and 72 military positions in the A-76 competition. These positions are located in Kansas City, Hawaii and Japan.

DFAS people have had great success in transforming to better meet customer finance and accounting needs while reducing the percentage of the Defense budget spent on finance and accounting functions. Since its formation in 1991, DFAS has consolidated more than 300 finance and accounting operations to 26. Since 1999, DFAS has reduced the percentage of the Defense budget spent on its operations from 0.56 to 0.37 percent in FY 2003. In FY 2002 alone, DFAS reduced the costs of finance and accounting services to customers by more than \$144 million. At the same time, the quality of products and services delivered by DFAS people continually improved.

To date, DFAS has conducted six A-76 competitions. In the five of those, the government retained the work with increased efficiency. In the sixth competition related to Military Retired and Annuitant Pay Services, the function was contracted to Affiliated Computer Services. In the first year of contract operations, which began in January 2002, customer satisfaction improved according to an independent survey conducted by the Office of Personnel Management. At the same time, DFAS spent almost \$9 million less than the baseline projection for that year.

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About DFAS

The Defense Finance and Accounting Service is the world's largest finance and accounting operation. In fiscal 2002, DFAS paid 5.7 million people, processed more than 11.2 million contractor invoices, made 7.3 million travel payments and disbursed more than \$346.6 billion while reducing overall costs to customers by \$144 million. For more about the Defense Finance and Accounting Service, please visit <http://www.dfas.mil>.

Related Links

- Official DFAS Site -- <http://www.dfas.mil>
- Office of Management and Budget -- <http://www.omb.gov>
- Office of Personnel Management -- <http://www.opm.gov>

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